

702 KAR 4:100. Emergency school loan fund; repayments.

RELATES TO: KRS 156.031, 160.599

STATUTORY AUTHORITY: KRS 156.070, 160.599

NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.031 requires that administrative regulations relating to statutes amended by the 1990 Kentucky Education Reform Act be reviewed, amended if necessary and resubmitted to the Legislative Research Commission prior to December 30, 1990; and KRS 160.599 provides for an emergency loan fund for local school districts experiencing a loss of physical facilities due to fire or natural disaster or a failure to timely receive local tax revenues. This administrative regulation is necessary to establish procedures for the handling and repayments of loans made from the Emergency Revolving School Loan Fund Account.

Section 1. The total amount of the loan shall be forwarded to the district upon approval of plans and specifications, and a proposed contract has been approved by the Division of Buildings and Grounds.

Section 2. The entire amount of the loan shall be deposited directly into a separate account designated as the "Emergency School Loan Fund."

Section 3. The fund shall be kept in a depository selected by the board of education. The money shall be invested in direct obligations of the United States until such time as cash funds shall be needed.

Section 4. All expenditures from this fund shall be made solely for the purposes approved by the Director of the Division of Buildings and Grounds except that a district may qualify for a loss if the sheriff has failed to collect or disburse tax revenue in a fiscal year.

Section 5. The State Board for Elementary and Secondary Education shall cause to be made annually an audit of this fund by a certified public accountant or by an accountant approved by the State Department of Education.

Section 6. One-tenth (1/10) of the loan made for construction purposes shall be payable to the "State Emergency Revolving School Loan Fund Account" on each anniversary date of the loan for the next ten (10) consecutive years. A loan made because of delinquent tax revenues shall be repaid when tax revenues are received and no later than three (3) years from the date of the loan. This payment shall be forwarded to the Director, Division of School District Finance, State Department of Education. (2 Ky.R. 229; eff. 12-10-75; Am. 17 Ky.R. 2030; eff. 2-7-91.)